

March 6, 2019

Dear Shareholders,

During the fourth quarter of 2018, Sprott Resource Holdings Inc. (“SRHI” or the “Company”) increased production and continued to advance the development of the growth plan at the Minera Tres Valles (“MTV”) copper project in Chile. In March and December, we published two Technical Reports compliant with NI 43-101 on SRHI’s MTV copper project, validating our acquisition due diligence and investment thesis for the project. The expansion began in 2018, primarily at our open pit Don Gabriel, and in the second half of 2018, MTV’s average monthly tonnes crushed exceeded 100,000 tonnes per month; volumes not reached at the mine since 2013.

In January 2019, MTV provided 2018 production results and guidance for 2019. MTV’s year-over-year increase in copper production is in line with our long-term plan of expanding operations and gaining operating efficiencies through capital projects. The Technical Report indicated that MTV could generate US\$34 million in project cash flow in 2020 and US\$45 million in 2022 at a copper price of \$2.75 per pound. As of March 6, 2019, the copper price is \$2.95 per pound.

MTV 2018 Production Statistics

Operating information ⁽¹⁾ Copper (MTV Operations)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year ended Dec. 31, 2018
Total ore mined (thousands of tonnes)	137	158	254	235	784
Total waste mined (thousands of tonnes)	172	239	552	816	1,779
Ore processed (thousands of tonnes)	212	218	313	298	1,041
Grade (% Cu)	0.96%	0.62%	0.74%	0.60%	0.71%
Cu production (tonnes)	1,422	1,401	1,462	1,596	5,881
Cu production (thousands of pounds)	3,135	3,089	3,224	3,518	12,966

⁽¹⁾ Operating information is for 12 months, however, for financial reporting purposes, SRHI acquired MTV effective February 1, 2018 and as a result reports financial results for the 11 months ending December 31, 2018.

2019 MTV Outlook⁽¹⁾

Operating information Copper (MTV Operations)	Year ended Dec. 31, 2019
Cu production (tonnes)	8,250 - 8,750
Cu production (millions of pounds)	18.2 - 19.3
Cash cost per pound produced ⁽²⁾	\$2.20 - \$2.50
Capital expenditures (\$ millions)	\$25 - \$30

⁽¹⁾ Guidance is based on certain estimates and assumptions, including but not limited to, mineral reserve estimates, grade and continuity of interpreted geological formations and metallurgical performance. Please refer to the technical report prepared by AMEC Foster Wheeler, a Wood company, in respect of the Project filed on December 14, 2018 (the “Technical Report”) and to the Company’s SEDAR filings for complete risk factors.

⁽²⁾ Cash Cost is a non-IFRS measure - Cash costs of production include all costs absorbed into inventory less non-cash items such as depreciation and non-site charges such as trucking charges capitalized to inventory. Cash costs per pound produced are calculated by dividing the aggregate of the applicable costs by copper pounds produced.

We are pleased with the early results from MTV and we expect continued production growth and lower per unit operating costs in 2020 as the results of the capital expenditures are realized. Upon MTV completing its capital expenditure projects, cash flows generated from this expansion will provide MTV the ability to exploit the exploration upside of its significant land package of over 44,334 hectares of mineral rights and more than 100 copper occurrences identified, but not explored.

MTV Financing

We are currently evaluating long-term financing options that will allow us to execute the 2019 guidance and expect to provide you an update on our progress before the end of the second quarter. With the formation of the Company's Special Committee in early February, our initial guidance for securing the financing has been moved from the first quarter of 2019 to the second quarter of 2019.

Formation of Special Committee

In February of 2019, SRHI's board of directors announced the formation of a special committee comprised solely of the Company's four independent directors and chaired by Terry Lyons, the Chairman of the Board. The purpose of the Special Committee is to review and evaluate potential measures to address SRHI's market valuation, which both management and the board believe is significantly lower than the value of SRHI's portfolio of investments and operating businesses. This review will be comprehensive and will look at all measures to maximize shareholder value. We will provide an update to our shareholders as soon as the Special Committee's process progresses.

On behalf of our Board of Directors and employees, I thank you for your continued support and we look forward to reporting to you on our progress in the months ahead.

Sincerely,

(signed) "Steve Yuzpe"

President and Chief Executive Officer